

Promoting Private Sector Development through Inclusive Business Models



In Mozambique, small businesses and farmers form the backbone of the economy. Most micro, small, and medium-sized enterprises (MSMEs) operate informally, while rural households rely heavily on farming and provide most staple foods. Despite their importance, both MSMEs and farmers struggle with limited finance, poor infrastructure, and restricted access to reliable markets. Addressing these challenges is crucial to unlocking their potential and fostering inclusive growth.

Approach

To strengthen private sector development, GIZ promotes on behalf of the German Government and the European Union, Inclusive Business Models.



The inclusive business model approach

The main instrument to promote Inclusive Business Models are integrated Development Partnerships with the Private Sector (iDPPs). These result-oriented projects, developed with international or Mozambican companies, align business and development goals. Both GIZ and private partners contribute funding, knowledge, and networks.

What iDPPs can offer

Tailored, hands-on solutions to strengthen stakeholder collaboration and competitiveness by building capacities in management, production, innovation, and access to finance and markets.

What iDPPs have achieved

The inclusive business model approach for private sector development has a long-standing history in Mozambique. Since 2017,

- 25,751 micro enterprises and 67 SME of which 36% are women led, have gained better access to markets through the integration in supply chains.
- 20 small and medium sized companies have improved their competitiveness.

Success Story

AfriFruta - Inclusion of smallholder farmers into a tropical fruits export scheme

An iDPP with Afrifruta established in 2020 successfully integrated 3,308 smallholder farmers to develop a competitive and sustainable tropical fruit supply chain. The partnership helped in accessing new markets by supporting participation in international fairs, opening new export opportunities. As a result of the iDPP, the income of rural communities collecting coconut and farming pineapple and mangoes increased.

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